

**CHAPTER NO. 1105**

**HOUSE BILL NO. 2366**

**By Representative Kisber**

**Substituted for: Senate Bill No. 2278**

**By Senator Rochelle**

AN ACT to amend Tennessee Code Annotated, Title 49, Title 50 and Title 56, relative to the establishment of a state-funded incentive program designed to stimulate business and corporate involvement in student financial aid by the provision of partial subsidization of students in career-related work-study positions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding a new part thereto consisting of Sections 2 through 8 of this act.

SECTION 2. This act shall be known and may be cited as the "Tennessee Student Employment Incentive Program."

SECTION 3. The purpose of this act is to provide Tennessee resident students enrolled at eligible higher education institutions with greater opportunities for career-related employment as they complete their undergraduate and graduate course curricula. The Tennessee student employment incentive program achieves the twin goals of giving students more career-related work experience and providing private sector employers with an avenue to assist students toward their educational goals.

SECTION 4. The State of Tennessee shall develop a student employment incentive program to provide reimbursement of up to thirty-five percent (35%) of the wages of participating students employed by private, for-profit and non-profit employers. Provided, however, the employment of these students shall not result in the displacement of existing members of the private firm's workforce. Participating students shall be enrolled on at least a half-time basis in an eligible institution as defined below.

SECTION 5. The funds supplied through the Tennessee student employment incentive program shall be paid directly to students in the manner specified in Tennessee Code Annotated, Section 49-4-302, or as a reimbursement to employers of such students, who provide needed services for a specified number of hours in a capacity approved by the board of directors of the Tennessee student assistance corporation.

SECTION 6. The Tennessee student employment incentive program shall be open to Tennessee resident students as defined by regulations promulgated by the board of regents for the state university and community college system who are enrolled at institutions of higher education that are certified as eligible for participation in the Tennessee student assistance award program.

SECTION 7. The Tennessee student employment incentive program shall be phased in over a period of years. First-year funding shall not exceed fifty thousand dollars (\$50,000) for program planning, start-up and implementation. Subsequent funding shall be established in the General Appropriations Act to enable the program to place students in work-study positions as provided in the plan. The program shall be administered by the Tennessee student assistance corporation with the stipulation that its implementation will require the hiring of a program coordinator and appropriate support staff. If the full

amount of funds appropriated for the program is not utilized in any given year, those funds remaining shall revert to the Tennessee student assistance award program for distribution as need-based financial aid grants. The plan shall be presented to the business tax study committee for review and comment by such committee. If after the plan is presented to such committee, funding is provided in the General Appropriations Act to implement the plan, then such plan shall be implemented and the program shall continue in subsequent fiscal years in accordance with available funding as provided in the General Appropriations Act.

SECTION 8. First year funding for the planning process and employment of start-up staff shall be subject to funding being provided in the General Appropriations Act in accordance with the provisions of Section 42 of House Bill No. 3309 / Senate Bill No. 3307.

SECTION 9. This act shall take effect July 1, 1998, the public welfare requiring it, but no expenditure shall be made until funds are appropriated for that purpose.

**PASSED: April 29, 1998**

  
JIMMY RAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

**APPROVED this day of 1998**

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DON SUNDQUIST, GOVERNOR

Pursuant to Article III, Section 18, of the Constitution of the State of Tennessee, the Governor had House Bill No. 2366 in his possession longer than ten (10) days, so therefore the bill becomes law without the Governor's signature.